LETTER OF AGREEMENT between the

STATE OF ALASKA

and the

ALASKA PUBLIC EMPLOYEES ASSOCIATION

representing the

CONFIDENTIAL UNIT

Article 13.12 (B) Voluntary Demotion

LOA 11-KK-100

It is agreed between the parties that the following terms and conditions of employment apply to all members of the Confidential Employees Association (CEA). No provision of the July 1, 2010 through June 30, 2013, master agreement not specifically referenced herein is modified by this agreement.

Article 13.12 (B) is amended as follows:

B. Voluntary Demotion. An employee holding permanent status in a classification may request a voluntary demotion to a lower class in the same or a closely related class series and shall retain permanent status in the lower class. An employee who is granted a voluntary demotion shall be paid at the step in the range of the lower class that best reflects creditable State service at or above the range demoted to.

This agreement is effective July 1, 2010 and will remain in effect through June 30, 2013. This agreement is entered into solely to address the specific circumstance of this particular situation. It does not establish any practice or precedent between the parties. This agreement shall not be referred to in any other dispute, grievance, arbitration, hearing, or any other forum, except as may be necessary for the execution of its terms.

FOR THE STATE OF ALASKA:

Nicki Neal, Director

Division of Personnel and Labor Relations

Department of Administration

Date Date

K(U, I, V)

Pete Ford

SE Regional Manager

Date